# Infrastructure

BUSINESS PLAN 2004-07

## ACCOUNTABILITY STATEMENT

The Business Plan for the three years commencing April 1, 2004 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of February 27, 2004 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

*[original signed]*

Ty Lund, *Minister of Infrastructure*
March 4, 2004

## THE MINISTRY

Alberta Infrastructure's responsibilities are wide ranging, from the provision of policy direction, planning expertise and capital funding for schools, post-secondary institutions, health care facilities, and seniors' lodges (referred to as supported infrastructure), to building and managing facilities that support government operations (referred to as owned infrastructure). The Ministry also provides infrastructure plant operations and maintenance funding to schools. Leasing, property acquisition and disposal, space planning for government facilities, air and vehicle fleet management services and administering the natural gas rebate program also fall within the Ministry's mandate.

## LINK TO THE GOVERNMENT STRATEGIC PLAN

Infrastructure supports government's long-term strategic plan pillars of Unleashing Information; Leading in Learning; and Making Alberta the Best Place to Live, Work and Visit. The primary linkage to the Government of Alberta three-year Business Plan is Goal 12 **"Alberta will have effective and sustainable government-owned and supported infrastructure"** which encompasses all infrastructure performance measures, and directly supports the Government Fiscal and Capital Plans. The work of this Ministry in supporting health, learning, and research facilities, as well as museums and other sites also supports the province's goals under each of the core businesses:

***People***

Goal 1: Albertans will be healthy

Goal 2: Albertans will be well prepared for lifelong learning and work

Goal 4: Albertans will be self-reliant and those unable to provide for their basic needs will receive help

***Prosperity***

Goal 7: Alberta will have a prosperous economy

Goal 8: Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

***Preservation***

Goal 11: Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

## VISION

*Alberta has innovative, quality, and sustainable public facilities.*

## MISSION

Through leadership and technical expertise, provide effective, efficient, innovative and timely infrastructure and services.

## CORE BUSINESSES

**Core Business 1: Partner with health regions, school boards, post-secondary institutions and seniors' lodge foundations to support the delivery of government programs.**

Goal 1 - Provide leadership and funding for the development and preservation of health care facilities and the preservation of seniors' lodges.

Goal 2 - Provide leadership to preserve and deliver effective and efficient facilities in support of life-long learning.

**Core Business 2: Manage government facility and land needs.**

Goal 3 - In partnership with all ministries, effectively plan, retrofit, and manage government-owned and leased facilities to support the delivery of government programs.

Goal 4 - Manage land requirements to support the delivery of government programs.

Goal 5 - Maintain effective environmental stewardship of government facilities and lands.

**Core Business 3: Manage government air and vehicle fleets.**

Goal 6 - Efficiently manage the government's air and vehicle fleets to provide safe, reliable and responsive services in a fiscally responsible way.

**Core Business 4: Improve planning to ensure value for government investment and support economic development and diversification.**

Goal 7 - Work with stakeholders and other ministries to improve planning, and contribute to government initiatives supporting economic development and diversification.

Goal 8 - Enhance service delivery to all clients.

# SIGNIFICANT OPPORTUNITIES AND CHALLENGES

## INFRASTRUCTURE DEBT

When the need for new facilities is not met, or when the need for adequate ongoing funding for timely facility preservation and maintenance is delayed, the risk for the onset of health and safety issues increases, the value of assets may decline, and the infrastructure debt increases at an accelerated rate. Although some priority needs have been met through the Government's Capital Plan, there is still an infrastructure debt of unfunded new facility requirements and preservation of existing facilities to be addressed. This infrastructure debt is currently estimated at $2.2 billion, down somewhat from $2.4 billion identified in our 2003-06 Business Plan. Adding to the infrastructure debt is the need for functional upgrading to adequately meet program delivery needs. New facilities constructed or approved for construction may alleviate the backlog somewhat; however, much of the government-owned and supported infrastructure is greater than 15 years old and in need of upgrading or retrofit. As buildings age, they become susceptible to the effects of deterioration, and if taxpayer investment is to be protected, the backlog of renovation and upgrading required in existing building infrastructure has to be managed. Addressing this debt will help save money in the long run by avoiding premature building replacement, avoiding health and safety issues, and minimizing maintenance costs.

## PUBLIC-PRIVATE PARTNERSHIPS (P3s)

Public-private partnerships are a reality in Alberta. Where viable partnerships exist, P3s are an effective and efficient opportunity to provide Albertans with much needed facilities. There continues to be a great deal of interest in developing infrastructure through partnerships, and we are challenged with determining the merit of each proposal. Each partnership proposal requires extensive evaluation and expert analysis, therefore we continue to work internally, and with experts, to strengthen our capacity in this regard, and to provide assurance of value to the taxpayer. Where feasible and cost effective, Infrastructure will continue to pursue alternative financing opportunities for new facilities, and will encourage supported infrastructure organizations to pursue P3s for priority needs. A current example is the development of consolidated court facilities in Calgary.

## CHANGING NEEDS

We are experiencing high growth in resource and urban development areas due to Alberta's economic strength. We are also encountering reduced populations in rural communities and in the inner city areas of Edmonton and Calgary. These changing demographics have created situations where facilities are badly needed in growth areas, while other areas have underutilized facilities. This mismatch between the location of facilities and the demand is a challenge, one that faces many school boards and health regions in Alberta. Greater emphasis on long term planning is required, and Alberta Infrastructure will work with school boards, health regions, and other stakeholders in this regard.

## TECHNOLOGY & INNOVATION

Innovation is central to improving competitiveness, generating wealth, creating jobs, and enhancing our quality of life. Having the necessary infrastructure in place is an important component of developing, attracting, and retaining highly qualified people. High profile health care facilities, such as the Bone and Joint Centre of Excellence in Calgary and the Alberta Heart Institute in Edmonton, as well as the Health Research Innovation Centres, will be attractive to the medical and research communities.

Other innovations include the design of multi-purpose facilities to allow flexibility for the future, and applying new technology to make facilities more efficient in program delivery, energy usage, and operating costs. The potential for health care and learning facilities to provide Albertans with faster access to more efficient services is also improving through the availability of state-of-the-art equipment and technology systems.

# STRATEGIC PRIORITIES 2004-07

Through the Ministry's review of external and internal challenges, the strategic priorities described below have been identified. These are in addition to the important ongoing core activities of the Ministry.

1. **Contributing to the development and implementation of the government's long-term Capital Plan.**

   **Linkage:**
   **Goals 1, 2, 3, 7 and 8**

The Financial Management Commission recommended funding priority program areas at a constant, sustainable rate. One of the key changes is the establishment of a Capital Plan for infrastructure. This plan sets out the government's commitment to both government-owned and supported capital projects including government facilities, health, school and post-secondary facilities, as well as infrastructure programs administered by other ministries. This new capital plan means that critical capital projects will be addressed, and when infrastructure projects are started, they will be finished in an orderly manner. Infrastructure plays a fundamental role in the development and implementation of the government's long-term Capital Plan for infrastructure, and contributes to Cross-Ministry processes such as the Capital Planning Initiative to improve information and decision making on infrastructure in Alberta.

2. **Balancing growth needs with preservation of existing infrastructure.**

   **Linkage:**
   **Goals 1, 2, 3, 7 and 8**

With a population exceeding three million and growing, Alberta's infrastructure needs are changing. In areas of growth, new schools and health facilities are vital to the needs of these communities. Post-secondary opportunities for Albertans are important, and adequate facilities are a key component of making those opportunities available. New construction must be balanced with our mandate to protect the taxpayers' investment in existing infrastructure through ongoing building maintenance and upgrading. Infrastructure will continue to work with partners to effectively balance infrastructure needs through development of longer term plans, better regional planning that looks across all infrastructure types and needs, and reviewing options for multi-use and sharing of facility space.

3. **Ensuring a healthy and safe environment in government facilities.**

   **Linkage:**
   **Goals 5 and 7**

Infrastructure manages government-owned facilities, and has the responsibility for providing a healthy and safe environment for employees and clients of these facilities. This includes complying with environmental standards for indoor air quality, providing guidance and support for the planning, development, and implementation of emergency and disaster response and recovery plans, as well as providing ongoing maintenance to maintain the integrity of the assets. We also strive to improve the energy efficiency of these government buildings, reducing both the environmental impact and utility costs.

4. **Improving client service through quality administration and a continuous process of streamlining policies and procedures.**

   **Linkage:**
   **Goals 1, 2, 3, 4, 5, 6, 7 and 8**

Challenged by our vision of innovative, quality, and sustainable public facilities, the Ministry will continue to provide stakeholders meaningful opportunities for input into decision making, and will work to identify areas where improvements can be made, or procedures can be streamlined.

# CORE BUSINESSES, GOALS, STRATEGIES AND MEASURES

## Core Business One: Partner with health regions, school boards, post-secondary institutions and seniors' lodge foundations to support the delivery of government programs.

### GOAL ONE — Provide leadership and funding for the development and preservation of health care facilities and the preservation of seniors' lodges.

**What it means**

Albertans are passionate about the delivery of health care services, and about providing for Alberta's seniors. We at Infrastructure share that view. Our Ministry works in partnership with health regions and other ministries to provide government-supported infrastructure that meets the needs of Albertans. There are also strong and effective partnerships in place with seniors' lodge foundations to support the upgrading of seniors' lodges in Alberta.

**Strategies**

- In partnership with the health regions and Health and Wellness, implement the approved projects identified in the Capital Plan, including the new Children's Hospital in Calgary, the Alberta Heart Institute in Edmonton, the Royal Alexandra Hospital expansion in Edmonton, and the Bone and Joint Centre of Excellence in Calgary.
- Optimize use of existing health infrastructure and meet local community needs through the provision of funding under the Health Sustainability Initiative Fund which supports the conversion of existing facilities to long term care or other uses.
- Complete the Lodge Upgrading Program and, in partnership with seniors' lodge foundations, implement a facility infrastructure maintenance program.

| Performance Measures | Last Actual (2002-03) | | Target 2004-05 | | Target 2005-06 | | Target 2006-07 | |
|---|---|---|---|---|---|---|---|---|
| **Health Facilities** | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities |
| *Condition* | | | | | | | | |
| % in good condition | 42 | 57 | 48 | 64 | 51 | 64 | 51 | 64 |
| % in fair condition | 48 | 36 | 44 | 30 | 42 | 30 | 42 | 30 |
| % in poor condition | 10 | 7 | 8 | 6 | 7 | 6 | 7 | 6 |
| *Utilization* | | | | | | | | |
| % within targeted capacity | | | Methodology under development | | | | | |
| *Functional Adequacy* | | | | | | | | |
| % that provide adequate functional service | | | Methodology under development | | | | | |

The Capital Planning Initiative Report of March 2000 identified three long term performance measures to be used across government to report on the management of physical infrastructure, whether it is owned or supported by government:

***Condition***

"Good" is defined as adequate for intended use and expected to provide continued service life with average maintenance. "Fair" means components are aging and nearing the end of their life cycle requiring additional expenditures for renewal or refurbishing. "Poor" means the facilities require upgrading to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary;

***Utilization***

The percentage of physical infrastructure for which the utilization level is within targeted capacity; and

***Functional Adequacy***

The percentage of physical infrastructure that provides acceptable functional service.

| Number of Seniors' Lodges Upgraded | Last Actual (2002-03) | Target 2004-05 |
|---|---|---|
| Number of seniors' lodges completed | 114 | 121 |

This measure reflects the number of seniors' lodges for which upgrading has been completed under the Lodge Upgrading Program. A total of 121 lodges were selected for upgrading under this program, which will be completed by the end of the 2004-05 fiscal year.

GOAL TWO

## Provide leadership to preserve and deliver effective and efficient facilities in support of life-long learning.

**What it means**

Our children are our future, and a good education is the basis for providing opportunities to enhance their future, and the future of this province. Alberta also recognizes the importance of going beyond a basic education - the value of life-long learning. To support Albertans in attaining their educational goals, we work in partnership with Learning, school boards and post-secondary institutions to support the delivery of basic and advanced educational programs. Increased capacity for research and innovation within Alberta's post-secondary institutions will also enable the province to attract new research initiatives and experts in fields such as medical research.

**Strategies**

- In support of the Rural Development Initiative and the need to make the best use of taxpayer investment, explore opportunities with Learning and school boards to revitalize school facilities in all Alberta communities in order to maximize use of school infrastructure, increase utilization, encourage disposition of non-viable schools, and improve the condition and functionality of required schools.
- In consultation with school boards, develop and implement a new accountability framework for capital and plant operations and maintenance, including clarification of roles and responsibilities, and enhanced accountabilities for school facility funding.
- As part of the capital planning process, continue to evaluate and address the maintenance and renewal needs identified in the 2002 facilities audit of post-secondary institutions.
- In conjunction with post-secondary institutions, complete the utilization study of all college, university and technical institute facilities to determine overall system capacity and utilization of each facility. With boards and Learning, use results to identify future needs and incorporate into the long-term planning process.

| Performance Measures | Last Actual (2002-03) | | Target 2004-05 | | Target 2005-06 | | Target 2006-07 | |
|---|---|---|---|---|---|---|---|---|
| **Schools (K-12)** | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities |
| *Condition* | | | | | | | | |
| % in good condition | 49 | 52 | 52 | 56 | 52 | 56 | 51 | 55 |
| % in fair condition | 45 | 42 | 43 | 39 | 43 | 39 | 44 | 40 |
| % in poor condition | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 |
| *Utilization* | | | | | | | | |
| Actual enrolments as a % of school facility capacity | | 75 | | 72 | | 72 | | 71 |
| *Functional Adequacy* | | | | | | | | |
| % that provide adequate functional service | | | | Methodology under development | | | | |

Please refer to the Goal 1 performance measure for a description of condition, utilization and functional adequacy.

| Post-Secondary Institutions | Last Actual (2002-03) | | Target 2004-05 | | Target 2005-06 | | Target 2006-07 | |
|---|---|---|---|---|---|---|---|---|
| | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities | Built prior to 1988 | All facilities |
| *Condition* | | | | | | | | |
| % in good condition | 40 | 47 | 39 | 45 | 38 | 45 | 37 | 45 |
| % in fair condition | 47 | 45 | 45 | 46 | 45 | 46 | 45 | 46 |
| % in poor condition | 13 | 8 | 16 | 9 | 17 | 9 | 18 | 9 |
| *Utilization* | | | | | | | | |
| % within targeted capacity | Measure will be developed upon completion of utilization study in 2004 | | | | | | | |
| *Functional Adequacy* | | | | | | | | |
| % that provide adequate functional service | Methodology under development | | | | | | | |

## Core Business Two: Manage government facility and land needs.

GOAL THREE

### In partnership with all ministries, effectively plan, retrofit, and manage government-owned and leased facilities to support the delivery of government programs.

**What it means**

Albertans require reasonable access to government programs and facilities and it is the responsibility of Infrastructure, in concert with other Ministries, to ensure this access is available. The Ministry is responsible for managing nearly 1,900 owned and some 300 leased facilities, including office space, courts, correctional facilities, warehouses and maintenance facilities, laboratories and research centres. The Ministry also plays a key role in ensuring that the health and safety needs of occupants and visitors are met and Ministries' changing program needs are addressed through facility planning, implementation of renovation projects, and through initiatives such as condition monitoring, safety and emergency planning, and ongoing maintenance and preservation.

**Strategies**

- Provide overall capital and operating management of government facilities.
- Develop, maintain, and implement accommodation plans for government clients.
- Work with partners to address physical building and site security needs in government buildings.
- Continue to seek innovative methods of project financing and delivery (public-private partnerships) for major projects, such as the Calgary Courts Centre.
- Assist government departments and agencies in the development and implementation of emergency and safety plans for government-owned and leased buildings across the province.
- Ensure accessibility needs for persons with disabilities are fully considered in Ministry design standards, policies, programs, and projects.

| Performance Measures | Last Actual (2002-03) | Target 2004-05 | Target 2005-06 | Target 2006-07 |
|---|---|---|---|---|
| **Government-owned and operated facilities** | | | | |
| *Condition of all government facilities* | | | | |
| % in good condition | 50 | 46 | 44 | 42 |
| % in fair condition | 47 | 51 | 53 | 55 |
| % in poor condition | 3 | 3 | 3 | 3 |

The preceeding measure is inconsistent with the condition measures for health facilities, schools (K-12), and post-secondary institutions, which include two sets of targets (facilities built prior to 1988 and all facilities). There has been minimal new construction of government-owned and operated facilities in recent years; therefore, the two sets of numbers would be similar. The majority of these facilities were constructed between 1975 and 1985, and are now reaching the threshold where significant upgrading or refurbishment is required to maintain them in acceptable condition.

| | Last Actual (2002-03) | Target 2004-05 | Target 2005-06 | Target 2006-07 |
|---|---|---|---|---|
| *Utilization* | | | | |
| % within targeted capacity | 90 | 89 | 89 | 89 |
| *Functional Adequacy* | | | | |
| % that provide adequate functional service | 81 | 79 | 79 | 79 |

Please refer to the Goal 1 performance measure for a description of condition, utilization, and functional adequacy.

| | Last Actual (2002-03) | Target 2004-05 | Target 2005-06 | Target 2006-07 |
|---|---|---|---|---|
| **Operating cost per square metre of rentable area for government-owned and operated facilities** | | | | |
| Average operating cost per $m^2$ of all office buildings owned and operated by Alberta Infrastructure | $84.11 | Ministry target for each year is to not exceed the annual industry average | | |
| Results of industry survey industry average | $111.55 | Ministry target for each year is to not exceed the annual industry average | | |

This measure compares the operating cost of government-owned and operated facilities to the industry average.

GOAL FOUR

## Manage land requirements to support the delivery of government programs.

**What it means**

Infrastructure provides real estate and land planning services and manages the Edmonton and Calgary Transportation and Utility Corridors. As new facility requirements are identified, the Ministry works with client departments, boards, and agencies to lease required space. Changes in government program delivery methods and new technologies mean that, on occasion, government is faced with surplus lands or underutilized properties. Infrastructure, as part of its role in overseeing the government's facility and land portfolio acquires properties, and divests itself of excess land and underutilized properties.

**Strategies**

- Plan, develop, and administer the Edmonton and Calgary Transportation and Utility Corridors, including enhanced sharing of policies and other information with interested buyers, realtors, and other stakeholders.
- Continue to sell or divest surplus and underutilized properties and take a lead role in providing services for disposal of properties for Government Ministries.
- Work with client departments to understand their property needs and acquire, lease, or dispose of property as appropriate.

| Performance Measure | Last Actual (2001) | Target 2003 | Target 2005 | Target 2007 |
|---|---|---|---|---|
| **Client Satisfaction Survey** | | | | |
| Real estate quality of service rating (based on a scale of 1 to 6) | New | | To be determined | |

Feedback from clients on how successfully we met their real estate needs will be sought in an upcoming client satisfaction survey.

GOAL FIVE

## Maintain effective environmental stewardship of government facilities and lands.

**What it means** The mandate to manage government's facility and land portfolio carries an obligation to minimize the environmental impact of our activities. As well, initiatives are undertaken to monitor air quality and improve energy efficiency, enhance the comfort of facility occupants, generate a cost savings, and lessen the environmental impact of operating these facilities.

**Strategies**

- Manage the Swan Hills Treatment Plant.
- Complete development and implementation of a Ministry Environmental Management System based on an international standard that can be applied to manage hazardous materials in construction, renovation, demolition, and site remediation projects.
- Continue to address environmental concerns at highway maintenance yards and other sites through risk management and remediation initiatives.
- Monitor energy efficiency and operating costs of government-owned and leased facilities and make cost-effective improvements.
- Maintain and monitor indoor air quality standards and processes aimed at reducing the risks associated with aging infrastructure, and ensure appropriate processes are followed to address incidences, such as mould, that may be found.

| Performance Measure | Last Actual (2002) | Target 2004 | Target 2005 | Target 2006 |
|---|---|---|---|---|
| **Energy consumption per square metre in government-owned and operated facilities** | | | | |
| Energy consumption in owned and operated facilities (megajoules per $m^2$) | 1,756 | 1,750 | 1,750 | 1,750 |

This measure shows the average energy consumption in government-owned and operated facilities over a 12-month period based on the calendar year. It is an indicator of how efficiently energy, including natural gas and electricity, is being used by the facilities.

# Core Business Three: Manage government air and vehicle fleets.

GOAL SIX

## Efficiently manage the government's air and vehicle fleets to provide safe, reliable and responsive services in a fiscally responsible way.

**What it means** Infrastructure is responsible for delivering safe and reliable transportation services to government ministries, boards, and agencies. This involves partnering with a private sector service provider for light-duty vehicles, as well as managing the remaining government-owned light-duty vehicles. The Ministry also manages government aircraft and continues to provide safe, efficient, and cost-effective air transportation services.

**Strategies**

- Manage the government's air fleet, providing safe, reliable air transportation services.
- Monitor the condition of aging air services equipment, and implement a plan for replacement as necessary.
- Ensure the safety of passengers through ongoing efficient maintenance of the air fleet.

- Continue to work with the private-sector vehicle fleet service provider to meet the transportation needs of government departments, boards and agencies, and effectively plan for future retirement or replacement of vehicles.

| Performance Measure | Last Actual (2001) | Target 2003 | Target 2005 | Target 2007 |
|---|---|---|---|---|
| **Client Satisfaction Survey** | | | | |
| Vehicle users quality of service rating (based on a scale of 1 to 6) | New | | To be determined | |
| Air transportation passengers quality of service rating (based on a scale of 1 to 6) | New | | To be determined | |

Feedback from clients on how successfully we met their vehicle and air transportation needs will be sought in an upcoming client satisfaction survey.

## Core Business Four: Improve planning to ensure value for government investment and support economic development and diversification.

### GOAL SEVEN — Work with stakeholders and other ministries to improve planning, and contribute to government initiatives supporting economic development and diversification.

**What it means**

Long term capital planning is becoming more important for the government and its stakeholders. The new Centennial Capital Plan provides stability in financial planning for school boards, health authorities, post-secondary institutions, and the Ministry for the term of the business plan. However, as regional, economic and demographic changes impact how Albertans need to access government services, the requirement for longer term planning increases. Through effective planning, the Ministry, along with its stakeholders and clients, will be better able to deal with emerging issues.

**Strategies**

- In partnership with Finance and Transportation, co-sponsor the Cross-Ministry Capital Planning Initiative and actively participate in the prioritization of all capital project requests for submission into future government Capital Plans.
- Support the government's strategy to enhance research and development capacity in Alberta through projects such as the development of the new Health Research Innovation Centres at the Universities of Calgary and Alberta.
- Provide support and input regarding schools, health care facilities, and post-secondary institutions into the new Rural Development Initiative to create an integrated approach to rural development and help rural communities capitalize on Alberta's economic activity.
- Work with school boards, health authorities, post-secondary institutions, government ministries, and other stakeholders to update and maintain long term capital plans.
- Collaborate with all stakeholders to explore opportunities for multi-use facilities, and continue to pursue alternative financing opportunities, such as P3s, where cost effective and feasible.
- Work with stakeholders to re-evaluate the outstanding maintenance requirement for all types of facilities and incorporate that information into the new infrastructure management system. Develop and implement processes to update and monitor the data.
- Support government priorities for Albertans through implementation of key initiatives such as the Natural Gas Rebate Program.

| Performance Indicator | Last Actual (2002-03) | Target 2004-05 | Target 2005-06 | Target 2006-07 |
|---|---|---|---|---|
| **Progress on completion of health research innovation centres** | | | | |
| % of the U of C Health Research Innovation Centre completed | n/a | 15 | 45 | 95 |
| % of the U of A Health Research Innovation Centre completed | n/a | 15 | 45 | 95 |

This measure is defined as the percentage of the Health Research Innovation Centres that are completed based on construction status reporting. Timing of project advancements is subject to available funding.

GOAL EIGHT

## Enhance service delivery to all clients.

**What it means** The Government of Alberta recognizes the importance of infrastructure to the economy and to Albertans. At Infrastructure, we are committed to working with other Ministries and our stakeholders in support of their infrastructure needs. It is important to the Ministry to continually strive for improvement in the delivery of our services and programs.

**Strategies**

- Implement the Building and Land Infrastructure Management System to enhance facility management and improve planning of capital projects for clients and the ministry.
- Improve communication with stakeholders by providing meaningful opportunities for input into decision making such as responding to recommendations flowing from the Minister's Symposium on Schools.
- Review and streamline policies and processes used for decision making and share those with stakeholders as needed to enhance communication and streamline administration.

| Performance Measure | Last Actual (2001) | Target 2003 | Target 2005 | Target 2007 |
|---|---|---|---|---|
| **Client Satisfaction Survey** | | | | |
| Average rating - overall quality of service (based on a scale of 1 to 6) | 4.6 | 4.7 | 4.7 | 4.7 |

A Client Satisfaction Survey is undertaken every second year to determine the level of satisfaction with services we provide. Through the services of an independent consulting firm, this confidential survey solicits feedback from our clients using a six-point scale. The results of the survey provide important information, assisting the ministry in our efforts to continually improve service delivery.

## EXPENSE BY CORE BUSINESS

(thousands of dollars)

| | Comparable 2002-03 Actual | Comparable 2003-04 Budget | Comparable 2003-04 Forecast | 2004-05 Estimates | 2005-06 Target | 2006-07 Target |
|---|---|---|---|---|---|---|
| Partner with health regions, school boards, post-secondary institutions and seniors' lodge foundations to support the delivery of government programs | 458,694 | 816,135 | 832,092 | 1,153,888 | 807,260 | 572,295 |
| Manage government facility and land needs | 345,775 | 371,663 | 587,320 | 359,570 | 371,160 | 384,840 |
| Manage government air and vehicle fleets | 5,654 | 7,289 | 7,271 | 7,316 | 7,324 | 7,324 |
| Improve planning to ensure value for government investment and support economic development and diversification | 9,834 | 11,103 | 10,967 | 11,376 | 11,411 | 11,411 |
| **MINISTRY EXPENSE** | 819,957 | 1,206,190 | 1,437,650 | 1,532,150 | 1,197,155 | 975,870 |

## CAPITAL INVESTMENT BY CORE BUSINESS

(thousands of dollars)

| | Comparable 2002-03 Actual | Comparable 2003-04 Budget | Comparable 2003-04 Forecast | 2004-05 Estimates | 2005-06 Target | 2006-07 Target |
|---|---|---|---|---|---|---|
| Manage government facility and land needs | 25,051 | 38,219 | 54,368 | 200,009 | 287,450 | 148,425 |
| Manage government air and vehicle fleets | 1,348 | 1,850 | 1,850 | 1,850 | 1,850 | 1,850 |
| Improve planning to ensure value for government investment and support economic development and diversification | 4,018 | 6,197 | 6,930 | 3,380 | 3,300 | 3,300 |
| **MINISTRY CAPITAL INVESTMENT** | 30,417 | 46,266 | 63,148 | 205,239 | 292,600 | 153,575 |

# MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

| | Comparable 2002-03 Actual | Comparable 2003-04 Budget | Comparable 2003-04 Forecast | 2004-05 Estimates | 2005-06 Target | 2006-07 Target |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| Internal Government Transfers | 105,000 | 145,000 | 145,000 | 165,000 | 164,000 | 164,000 |
| Investment Income | 10,843 | 4,000 | 6,300 | 4,000 | 4,000 | 4,000 |
| Premiums, Fees and Licences | 2,723 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Other Revenue | 48,297 | 26,740 | 34,998 | 46,858 | 33,513 | 32,813 |
| **MINISTRY REVENUE** | 166,863 | 178,440 | 188,998 | 218,558 | 204,213 | 203,513 |
| **EXPENSE** | | | | | | |
| **Program** | | | | | | |
| **Infrastructure Operations** | | | | | | |
| School Facilities Operations | 324,434 | 331,543 | 361,543 | 349,543 | 351,543 | 351,543 |
| Property Operations | 122,494 | 123,816 | 131,228 | 125,815 | 125,855 | 125,855 |
| Leases | 92,942 | 99,946 | 99,946 | 101,030 | 101,030 | 104,230 |
| Swan Hills Treatment Plant | 25,874 | 26,625 | 23,667 | 21,625 | 21,625 | 21,625 |
| **Sub-total** | **565,744** | **581,930** | **616,384** | **598,013** | **600,053** | **603,253** |
| **Infrastructure Preservation** | | | | | | |
| Health Care Facilities | 13,411 | 122,714 | 88,590 | 107,650 | 34,501 | 64,000 |
| School Facilities | 25,859 | 48,059 | 54,365 | 123,098 | 126,523 | 54,008 |
| Post-Secondary Facilities | 741 | 24,800 | 24,800 | 38,800 | 46,434 | 35,000 |
| Seniors' Lodges | 19,415 | 3,130 | 3,286 | 6,100 | 2,000 | - |
| Capital and Accommodation Projects | 21,516 | 21,881 | 9,756 | 11,348 | 15,000 | 15,000 |
| Government Facilities | 10,959 | 9,675 | 7,573 | 9,675 | 9,675 | 9,675 |
| Site Environmental Services | 1,439 | 1,650 | 1,650 | 1,650 | 1,650 | 1,650 |
| **Sub-total** | **93,340** | **231,909** | **190,020** | **298,321** | **235,783** | **179,333** |
| **Infrastructure Expansion** | | | | | | |
| Health Care Facilities | 12,714 | 97,733 | 122,856 | 236,476 | 119,074 | - |
| School Facilities | 54,949 | 67,580 | 55,274 | 97,666 | 74,675 | 25,000 |
| Post-Secondary Facilities | 1,540 | 100,000 | 100,000 | 176,000 | 41,466 | 18,700 |
| Seniors' Lodges | 189 | 2,170 | 3,014 | 30 | - | - |
| Capital and Accommodation Projects | 147 | 2,400 | 528 | 2,800 | 10,000 | 10,000 |
| Land Services | 1,933 | 2,100 | 13,788 | 2,100 | 2,100 | 2,100 |
| Centennial Projects | 386 | 500 | 1,050 | - | - | |
| Centennial Projects - Legacy Grants | - | 12,500 | 12,500 | 12,500 | - | - |
| **Sub-total** | **71,858** | **284,983** | **309,010** | **527,572** | **247,315** | **55,800** |
| **Ongoing Commitments** | | | | | | |
| Air Transportation Services | 3,497 | 3,443 | 3,443 | 3,489 | 3,489 | 3,489 |
| Vehicle Services | 366 | 422 | 422 | 399 | 399 | 399 |
| Support Services | 39,228 | 43,503 | 42,770 | 44,356 | 44,666 | 44,666 |
| **Sub-total** | **43,091** | **47,368** | **46,635** | **48,244** | **48,554** | **48,554** |
| **Other** | | | | | | |
| Alternatively Financed Project Costs | - | - | - | - | 5,000 | 18,000 |
| Energy Rebates | 513 | - | 215,600 | - | - | - |
| **Sub-total** | **513** | **-** | **215,600** | **-** | **5,000** | **18,000** |
| **Non-Cash** | | | | | | |
| Amortization | 40,289 | 52,500 | 50,218 | 52,500 | 52,950 | 56,350 |
| Nominal Sum Disposals | 1,535 | 5,000 | 7,283 | 5,000 | 5,000 | 5,000 |
| Consumption of Inventories | 3,137 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Valuation Adjustments and Other Provisions | 450 | - | - | - | - | - |
| **Sub-total** | **45,411** | **60,000** | **60,001** | **60,000** | **60,450** | **63,850** |
| **Total Program Expense** | **819,957** | **1,206,190** | **1,437,650** | **1,532,150** | **1,197,155** | **968,790** |
| **Debt Servicing Costs** | | | | | | |
| Department | - | - | - | - | - | 7,080 |
| **MINISTRY EXPENSE** | **819,957** | **1,206,190** | **1,437,650** | **1,532,150** | **1,197,155** | **975,870** |
| Gain (Loss) on Disposal and Write Down of Capital Assets | 18,125 | - | 9,749 | - | - | - |
| **NET OPERATING RESULT** | **(634,969)** | **(1,027,750)** | **(1,238,903)** | **(1,313,592)** | **(992,942)** | **(772,357)** |

## CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

| | Comparable 2002-03 Actual | Comparable 2003-04 Budget | Comparable 2003-04 Forecast | 2004-05 Estimates | 2005-06 Target | 2006-07 Target |
|---|---|---|---|---|---|---|
| Ministry Revenue | 166,863 | 178,440 | 188,998 | 218,558 | 204,213 | 203,513 |
| *Inter-ministry consolidation adjustments* | (109,483) | (148,665) | (148,665) | (168,908) | (167,908) | (167,908) |
| **Consolidated Revenue** | 57,380 | 29,775 | 40,333 | 49,650 | 36,305 | 35,605 |
| Ministry Program Expense | 819,957 | 1,206,190 | 1,437,650 | 1,532,150 | 1,197,155 | 968,790 |
| *Inter-ministry consolidation adjustments* | (4,483) | (3,665) | (3,665) | (3,908) | (3,908) | (3,908) |
| **Consolidated Program Expense** | **815,474** | **1,202,525** | **1,433,985** | **1,528,242** | **1,193,247** | **964,882** |
| Ministry Debt Servicing Costs | - | - | - | - | - | 7,080 |
| **Consolidated Expense** | 815,474 | 1,202,525 | 1,433,985 | 1,528,242 | 1,193,247 | 971,962 |
| Gain (Loss) on Disposal and Wnte Down of Capital Assets | 18,125 | - | 9,749 | - | - | - |
| *Inter-ministry consolidation adjustments* | 19,921 | - | - | - | - | - |
| **CONSOLIDATED NET OPERATING RESULT** | (720,048) | (1,172,750) | (1,383,903) | (1,478,592) | (1,156,942) | (936,357) |

## CAPITAL INVESTMENT BY PROGRAM

(thousands of dollars)

| | Comparable 2002-03 Actual | Comparable 2003-04 Budget | Comparable 2003-04 Forecast | 2004-05 Estimates | 2005-06 Target | 2006-07 Target |
|---|---|---|---|---|---|---|
| Swan Hills Treatment Plant | 4,733 | 2,000 | 5,000 | 3,000 | 3,000 | 3,000 |
| Capital and Accommodation Projects | 2,629 | 12,000 | 23,597 | 34,040 | 4,661 | 1,100 |
| Land Services | 5,943 | 19,080 | 19,080 | 8,721 | 8,300 | 8,300 |
| Centennial Projects | 12,840 | 9,909 | 9,359 | 29,528 | 27,564 | 15,000 |
| Government Facilities | - | - | 2,102 | - | - | - |
| Air Transportation Services | 856 | 850 | 850 | 850 | 850 | 850 |
| Vehicle Services | 492 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Support Services | 2,924 | 1,427 | 2,160 | 1,200 | 1,225 | 1,225 |
| Alternatively Financed Projects (Statutory) | - | - | - | 126,900 | 246,000 | 123,100 |
| **MINISTRY CAPITAL INVESTMENT** | 30,417 | 46,266 | 63,148 | 205,239 | 292,600 | 153,575 |